

# FIML NATURAL RESOURCES, LLC

October 23, 2006

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Whitney

RE: Exception Letter for the Ute Tribal #1-18-55  
411' FNL & 832' FEL of Section 18 T-5S R-5W  
Duchesne County, Utah


Dear Ms. Whitney:

FIML Natural Resources, LLC has no objection to the proposed Ute Tribal #1-18-55 well being drilled 411' FNL & 832' FEL of Section 18 T-5S R-5W. The original "legal" drillsite location was moved due to severe topographic conditions. Moreover, the Ute Tribal representatives would not allow the drillsite to be placed at the legal location due to the severe topographic constraints.

FIML Natural Resources, LLC is the only owner within a 460 foot radius of the proposed well location.

The signature below is our written waiver of objection to UT Administrative Code R649-3-3.

Signature:



Name: Mark D. Bingham

Title: Senior Vice President

Date: October 23, 2006

FIML Natural Resources, LLC  
410 17th Street, 9th Floor  
Denver, CO 80202

RECEIVED

OCT 24 2006

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

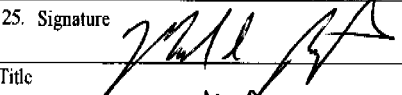
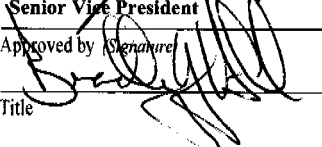
FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

|   |  |  |
|---|--|--|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER  |  | 5. Lease Serial No.<br><b>14-20-H62-5057</b>   |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone          |  | 6. If Indian, Allottee or Tribe Name<br><b>Ute Indian Tribe</b>                        |
| 2. Name of Operator<br><b>FIML Natural Resources, LLC</b>   |  | 7. If Unit or CA Agreement, Name and No.   |
| 3a. Address<br><b>410 17th Street, 9th Floor, Denver, CO 80202</b>  | 3b. Phone No. (include area code)<br><b>303-893-5073</b>   | 8. Lease Name and Well No.<br><b>Ute Tribal 1-18-55</b>                                |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)*<br>At surface <b>NENE 411' FNL 832' FEL 544085X 40.052672</b><br>At proposed prod. zone <b>Same as above 4433521Y -110.483156</b> |  | 9. API Well No.<br><b>43-013-33392</b>   |
| 14. Distance in miles and direction from nearest town or post office*<br><b>36 miles southwest of Myton, Utah</b>   |  | 10. Field and Pool, or Exploratory<br><b>Undesignated</b>                              |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>411'</b>   | 16. No. of acres in lease<br><b>640</b>                    | 11. Sec., T. R. M. or Blk. and Survey or Area<br><b>Sec 18, T5S-R5W, U.S.B.&amp;M.</b> |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1,755'</b>  | 19. Proposed Depth<br><b>6,475'</b>                        | 12. County or Parish<br><b>Duchesne</b>  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br><b>7,361' GL (Ungraded)</b>  | 22. Approximate date work will start*<br><b>06/01/2007</b> | 13. State<br><b>Utah</b>   |
| 20. BLM/BIA Bond No. on file<br><b>8191-82-71</b>   |  |  |
| 23. Estimated duration<br><b>Seven days</b>   |  |  |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

|  |  |                           |
|--|--|---------------------------|
| 25. Signature<br>         | Name (Printed/Typed)<br><b>Mark Bingham</b>    | Date<br><b>10/23/2006</b> |
| Title<br><b>Senior Vice President</b>  |  |                           |
| Approved by Signature<br> | Name (Printed/Typed)<br><b>BRADLEY G. HILL</b> | Date<br><b>10-30-06</b>   |
| Title<br><b>Office ENVIRONMENTAL MANAGER</b>   |  |                           |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

Federal Approval of this  
Action is Necessary

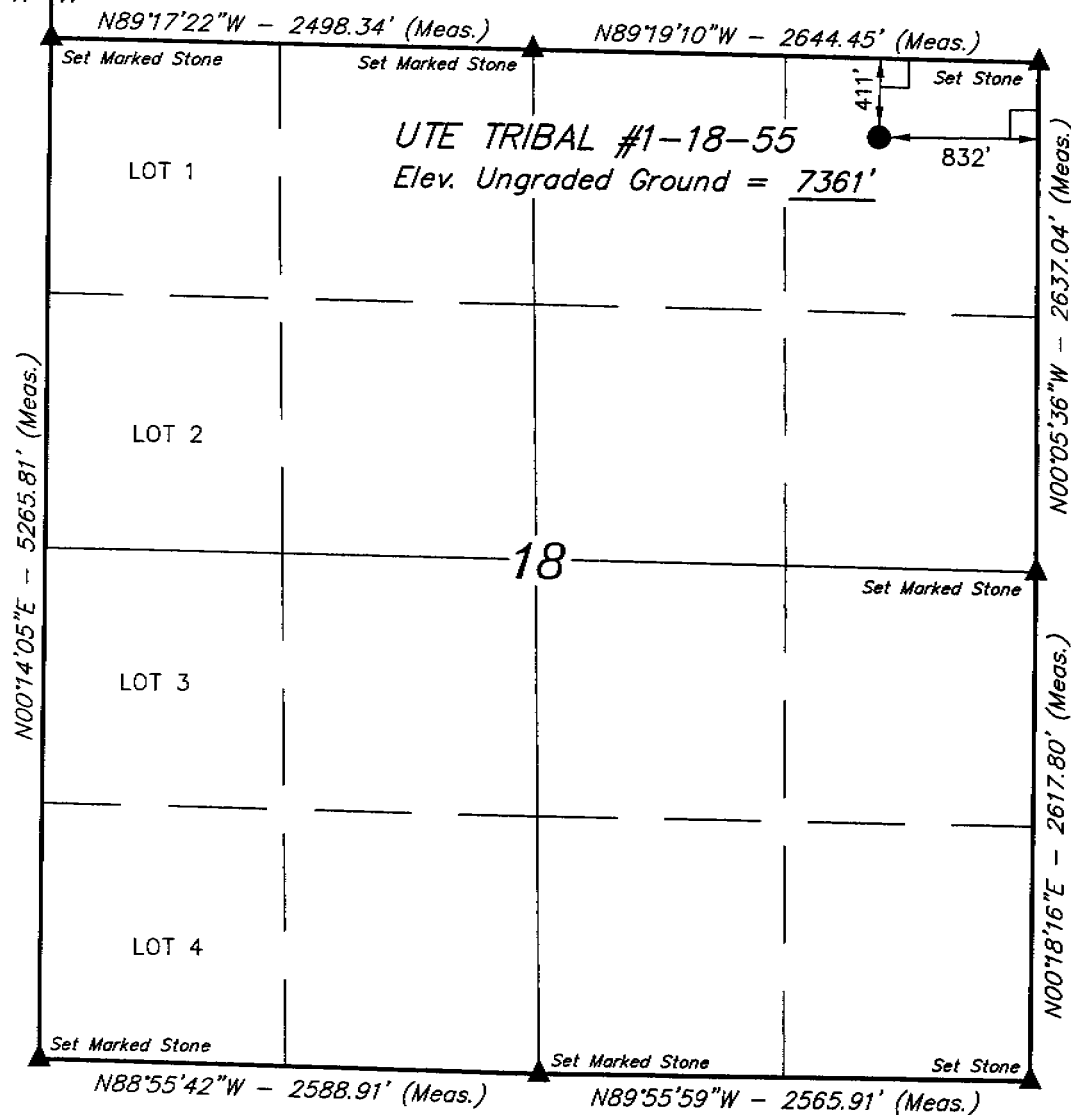
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DIV. OF OIL, GAS & MINING

R  
6  
W

T5S, R5W, U.S.B.&M.



**LEGEND:**

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(NAD 83)  
 LATITUDE = 40°03'09.28" (40.052578)  
 LONGITUDE = 110°29'00.78" (110.483550)  
 (NAD 27)  
 LATITUDE = 40°03'09.42" (40.052617)  
 LONGITUDE = 110°28'58.22" (110.482839)

UTE/FNR, LLC.

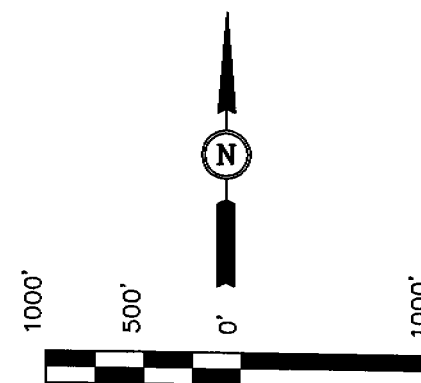
Well location, UTE TRIBAL #1-18-55, located as shown in the NE 1/4 NE 1/4 of Section 18, T5S, R5W, U.S.B.&M., Duchesne County, Utah.

**BASIS OF ELEVATION**

BENCH MARK (M67) LOCATED IN THE SW 1/4 OF SECTION 9, T5S, R4W, U.S.B.&M., TAKEN FROM THE DUCHESNE SE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 6097 FEET.

**BASIS OF BEARINGS**

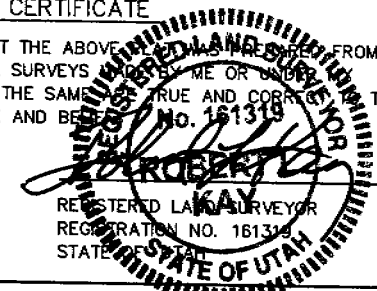
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE SURVEY WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (435) 789-1017

|                         |                            |                         |
|-------------------------|----------------------------|-------------------------|
| SCALE<br>1" = 1000'     | DATE SURVEYED:<br>09-21-06 | DATE DRAWN:<br>09-23-06 |
| PARTY<br>J.R. R.P. P.M. | REFERENCES<br>G.L.O. PLAT  |                         |
| WEATHER<br>COOL         | FILE<br>UTE/FNR, LLC.      |                         |

**SELF CERTIFICATION STATEMENT**

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 1-18-55  
NE/4 NE/4 411' FNL 832' FEL, Section 18 T-5S, R-5W U.S.B. & M.  
Lease BIA: #14-20-H62-5057  
Duchesne County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.

A handwritten signature in black ink, appearing to read "Rick L. Parks", with a long horizontal flourish extending to the right.

Rick L. Parks  
Operations Manager  
FIML Natural Resources, LLC  
410 17<sup>th</sup> Street  
Suite 900  
Denver, Colorado 80202  
(303) 893-5081

## **FIML NATURAL RESOURCES, LLC**

**Ute Tribal 1-18-55**  
**NENE 411' FNL 832' FEL Sec 18, T-5S, R-5W, U.S.B. & M.**  
**Duchesne County, Utah**  
**BIA Lease Number 14-20-H62-5057**

### **DRILLING PROGRAM**

#### **1. Estimated Tops of Geological Markers:**

##### **Formation Depth**

|                   |   |
|-------------------|---|
| Uinta             | surface   |
| Green River       | 1,594' (top based on FIML Natural Resources, LLC<br>Green River structure map dated September 26, 2005)       |
| Mahogany Bench    | 2,791' (top based on FIML Natural Resources, LLC<br>Mahogany Bench structure map dated September 26,<br>2005) |
| Garden Gulch      | 3,703' (top based on FIML Natural Resources, LLC<br>Garden Gulch structure map dated September 26, 2005)      |
| Douglas Creek     | 4,599' (top based on FIML Natural Resources, LLC<br>Douglas Creek structure map dated September 26, 2005)     |
| Castle Peak       | 5,542' top based on FIML Natural Resources, LLC<br>Castle Peak structure map dated September 26, 2005)        |
| Uteland Butte Ls. | 5,905' (top based on FIML Natural Resources, LLC<br>Uteland Butte structure map dated September 26, 2005)     |
| Wasatch           | 6,123' (top based on FIML Natural Resources, LLC<br>Wasatch structure map dated September 26, 2005)           |
| Total Depth       | 6,475'  |

#### **2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:**

##### **Substance Formation Depth**

|                     |               |   |
|---------------------|---------------|---|
| Oil/Gas             | Douglas Creek | 4,599' (top based on FIML Natural Resources, LLC<br>Douglas Creek structure map dated September 26, 2005) |
| Oil/Gas             | Castle Peak   | 5,542' (top based on FIML Natural Resources, LLC<br>Castle Peak structure map dated September 26, 2005)   |
| Oil/Gas             | Uteland Butte | 5,905' (top based on FIML Natural Resources, LLC<br>Uteland Butte structure map dated September 26, 2005) |
| Oil/Gas             | Wasatch       | 6,123' (top based on FIML Natural Resources, LLC<br>Wasatch structure map dated September 26, 2005)       |
| Other Mineral Zones |               | N/A   |

**3. Pressure Control Equipment:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

**4. Proposed Casing and Cementing Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

**5. Drilling Fluids Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

**6. Evaluation Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

**7. Abnormal Conditions:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

**8. Anticipated Starting Dates and Notification of Operations:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

**9. Other Information:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

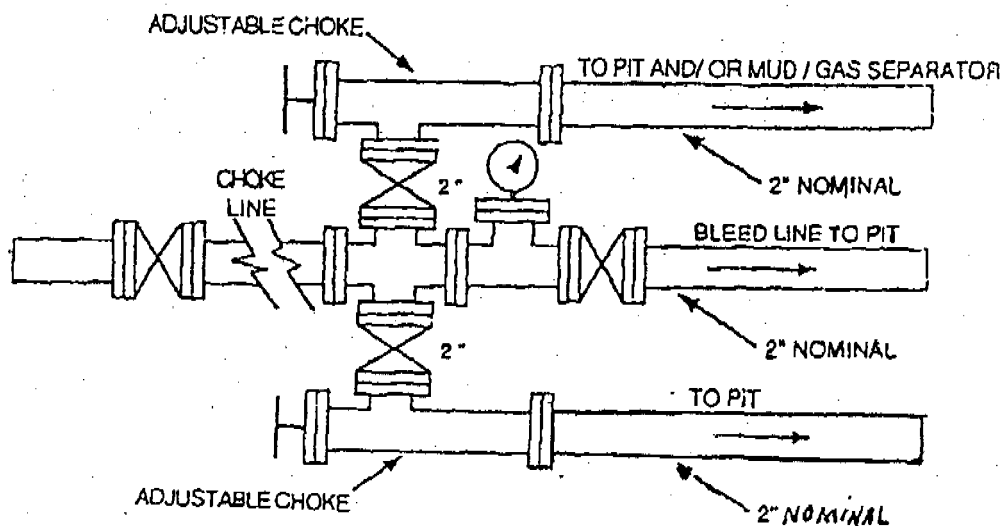
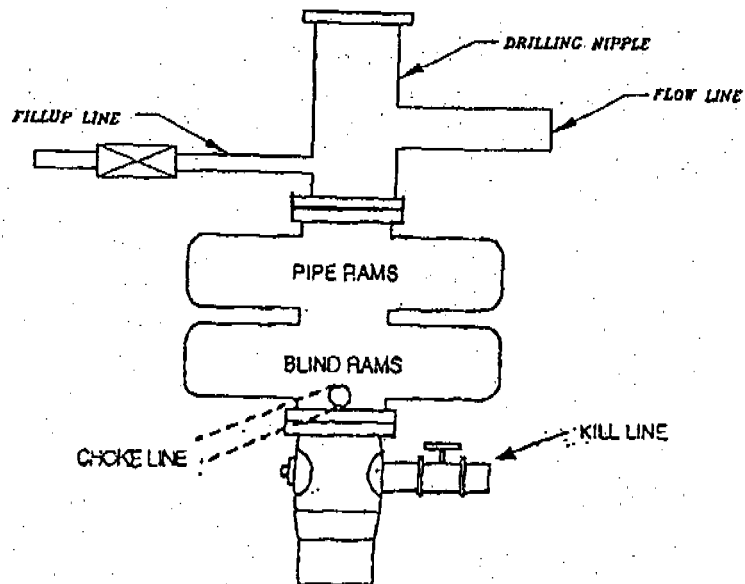
# 2M SYSTEM

## BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS

### 900 SERIES MINIMUM

### 2000# psi W.P.

### BOP 6" X 3000 PSI or 10" X 3000 PSI



**FIML NATURAL RESOURCES, LLC**

**Ute Tribal 1-18-55**

**NENE 411' FNL 832' FEL, Sec 18, T-5S, R-5W, U.S.B. &M. Duchesne County, Utah  
Lease Number 14-20-H62-5057**

**Onshore Order No. 1**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads**

- A. Start in Myton, Utah. Proceed west on US Highway 40, 8.8 miles to the Antelope Creek/Sowers Canyon Road at the Bridgeland turnoff. Turn south and then west and proceed 15.6 miles on the Sowers Canyon Road. Turn north and proceed approximately 5.2 miles to the Coyote Ridge Road. Turn southwest and proceed approximately 5.6 miles to the proposed Ute Tribal 1-18-55 access road. Turn left and continue for approximately 310' to the proposed Ute Tribal 1-18-55 well location.
- B. The proposed well site is located approximately 36 miles southwest of Myton, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

**2. Planned Access Roads**

See Topographic Map “B” for the location of the proposed access road.

**3. Location of existing wells within a one mile radius of proposed well location**

See Topographic Map “C” for the location of existing wells within a one-mile radius.

**4. Location of Existing and /or Proposed Facilities**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).



**5. Location and Type of Water Supply**

- A. Water supply will be from East Duchesne Water District, Arcadia, Utah. Section 28, T-3S, R-3W, Duchesne County, Utah. The water right number is 43-10152.
- B. Water will be hauled by Ute Tribal Water Service.
- C. No water well will be drilled on the lease.

**6. Source of Construction Materials**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

**7. Method of Handling Waste Materials**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

**8. Ancillary Facilities**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

**9. Well Site Layout**

The attached Location Layout diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s) and top soil stockpile(s).

**10. Plans for Restoration of the Surface**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

**11. Surface Ownership**

Access Road: Ute Indian Tribe  
Location: Ute Indian Tribe

**12. Other Information**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

**13. Operator's Representative and Certification**


Name: Rick L. Parks  
Address: 410 17<sup>th</sup> Street  
Suite 900  
Denver, Colorado 80202  
Phone No. 303-893-5081  
Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

**Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved. This statement is subject to the provisions of 18 U.S. C. 1001 for the filing of a false statement.

10/23/06  
Date

  
Rick L. Parks  
Operations Manager  
FIML Natural Resources, LLC

## **EPA's LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES**

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide waste
- Radioactive tracer wastes
- Drums, insulation, and miscellaneous solids

**UTE/FNR, LLC.**  
**UTE TRIBAL #1-18-55**  
LOCATED IN DUCHESNE COUNTY, UTAH  
SECTION 18, T5S, R5W, U.S.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**09 26 06**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: J.R.

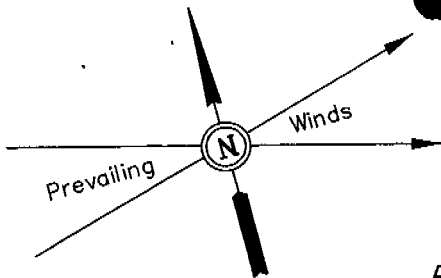
DRAWN BY: L.K.

REVISED: 00-00-00

UTE/FNR, LLC.

LOCATION LAYOUT FOR

UTE TRIBAL #1-18-55  
SECTION 18, T5S, R5W, U.S.B.&M.  
411' FNL 832' FEL



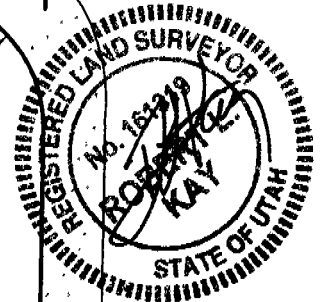
SCALE: 1" = 50'  
DATE: 09-23-06  
DRAWN BY: P.M.

F-2.8'  
El. 55.1'

Proposed Access Road

F-13.2'  
El. 44.7'

Sta. 3+30



NOTE:  
Flare Pit is to be located a min. of 100' from the Well Head.

Reserve Pit Backfill & Spoils Stockpile

Flare Pit C-4.1'  
El. 62.0'

C-16.9'  
El. 64.8'  
(Btm. Pit)

Approx. Top of Cut Slope

10' WIDE BENCH

Total Pit Capacity  
W/2' of Freeboard  
= 12,810 Bbls. ±  
Total Pit Volume  
= 3,590 Cu. Yds.

RESERVE PITS  
(10' Deep)

1 1/2:1 Slope

40'

C-5.3'  
El. 63.2'

MUD TANKS

30'

5

RIG

DOG HOUSE

WATER

PUMP

MUD SHED

HOPPER

POWER

TOOLS

FUEL

Sta. 0+50

C-3.6'  
El. 61.5'

3

TRASH

160'

STORAGE TANK

TOILET

FUEL

TRAILER

F-10.7'  
El. 47.2'

Sta. 1+60

Sta. 0+00

C-23.9'  
El. 71.8'  
(Btm. Pit)

Reserve Pit Backfill & Spoils Stockpile

C-7.0'  
El. 64.9'

Topsoil Stockpile

Approx. Toe of Fill Slope

F-11.9'  
El. 46.0'

Elev. Ungraded Ground at Location Stake = 7361.5'  
Elev. Graded Ground at Location Stake = 7357.9'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

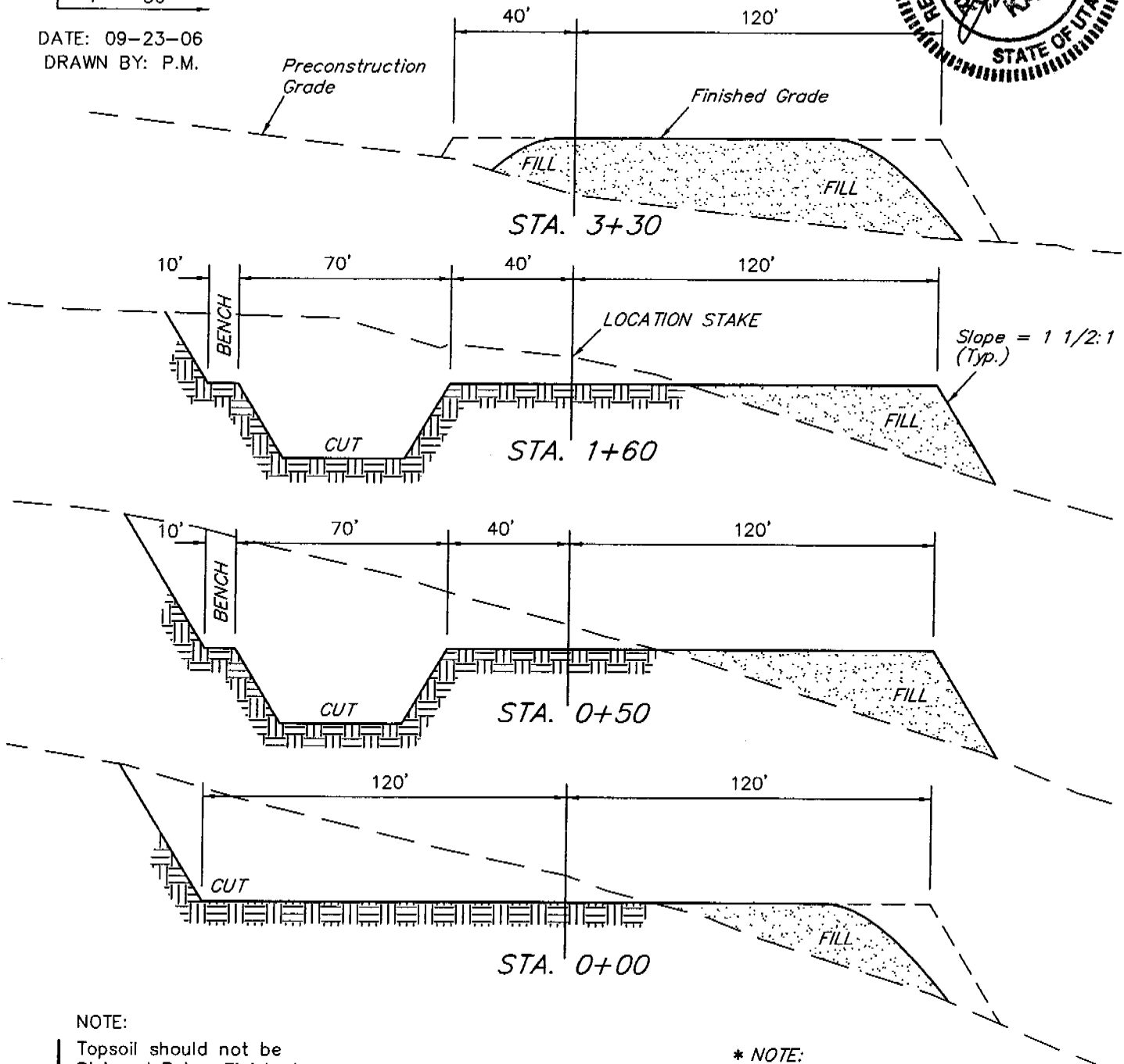
# UTE/FNR, LLC.

## TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #1-18-55  
SECTION 18, T5S, R5W, U.S.B.&M.  
411' FNL 832' FEL

1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 09-23-06  
DRAWN BY: P.M.



### NOTE:

Topsoil should not be  
Stripped Below Finished  
Grade on Substructure Area.

### \* NOTE:

FILL QUANTITY INCLUDES  
5% FOR COMPACTION

### APPROXIMATE YARDAGES

#### CUT

(12") Topsoil Stripping = 3,360 Cu. Yds.  
Remaining Location = 11,950 Cu. Yds.

TOTAL CUT = 15,310 CU.YDS.

FILL = 10,150 CU.YDS.

EXCESS MATERIAL = 5,160 Cu. Yds.

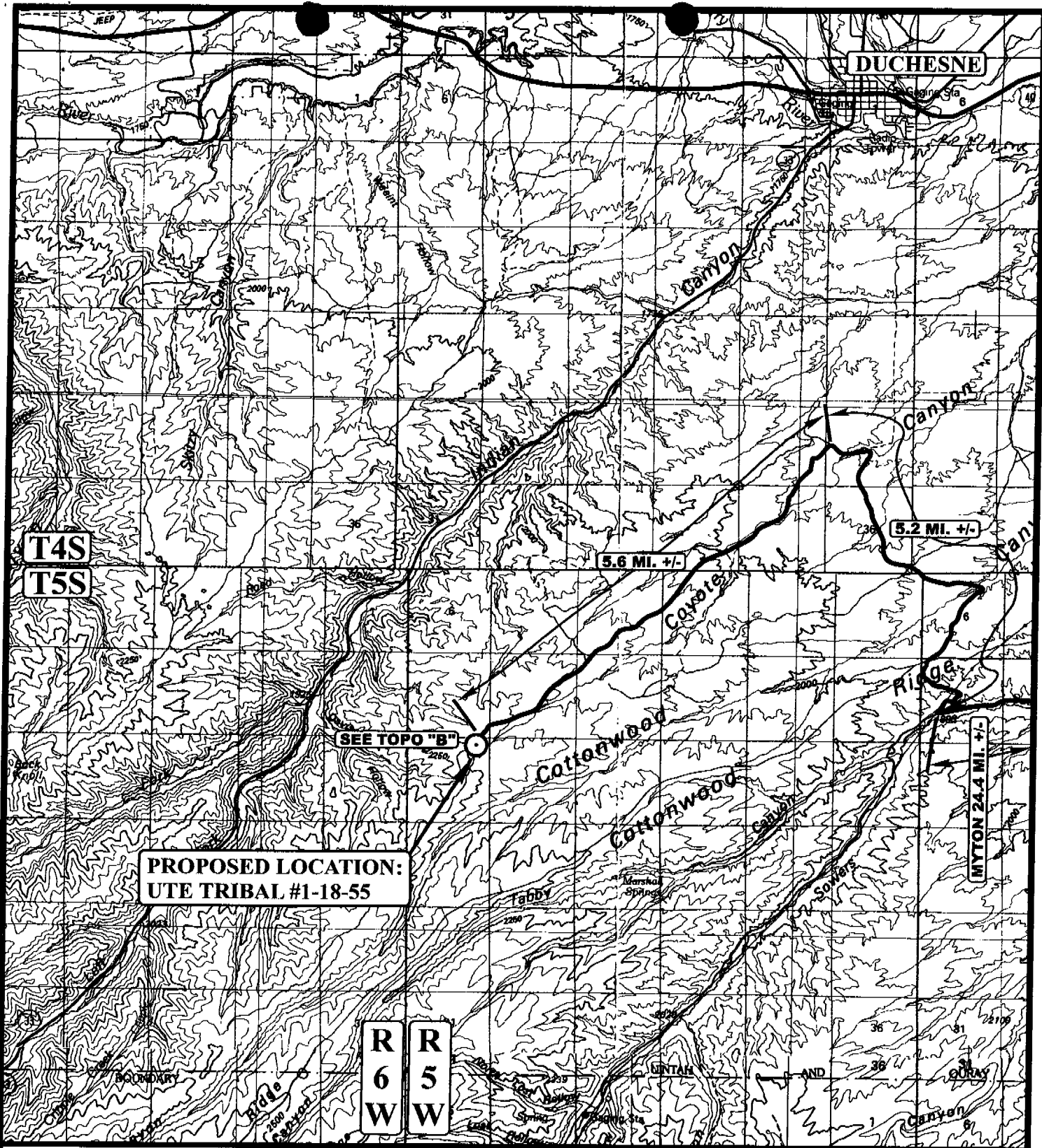
Topsoil & Pit Backfill = 5,160 Cu. Yds.  
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.  
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017





**LEGEND:**

○ PROPOSED LOCATION



**UTE/FNR, LLC.**

**UTE TRIBAL #1-18-55  
SECTION 18, T5S, R5W, U.S.B.&M.  
411' FNL 832' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

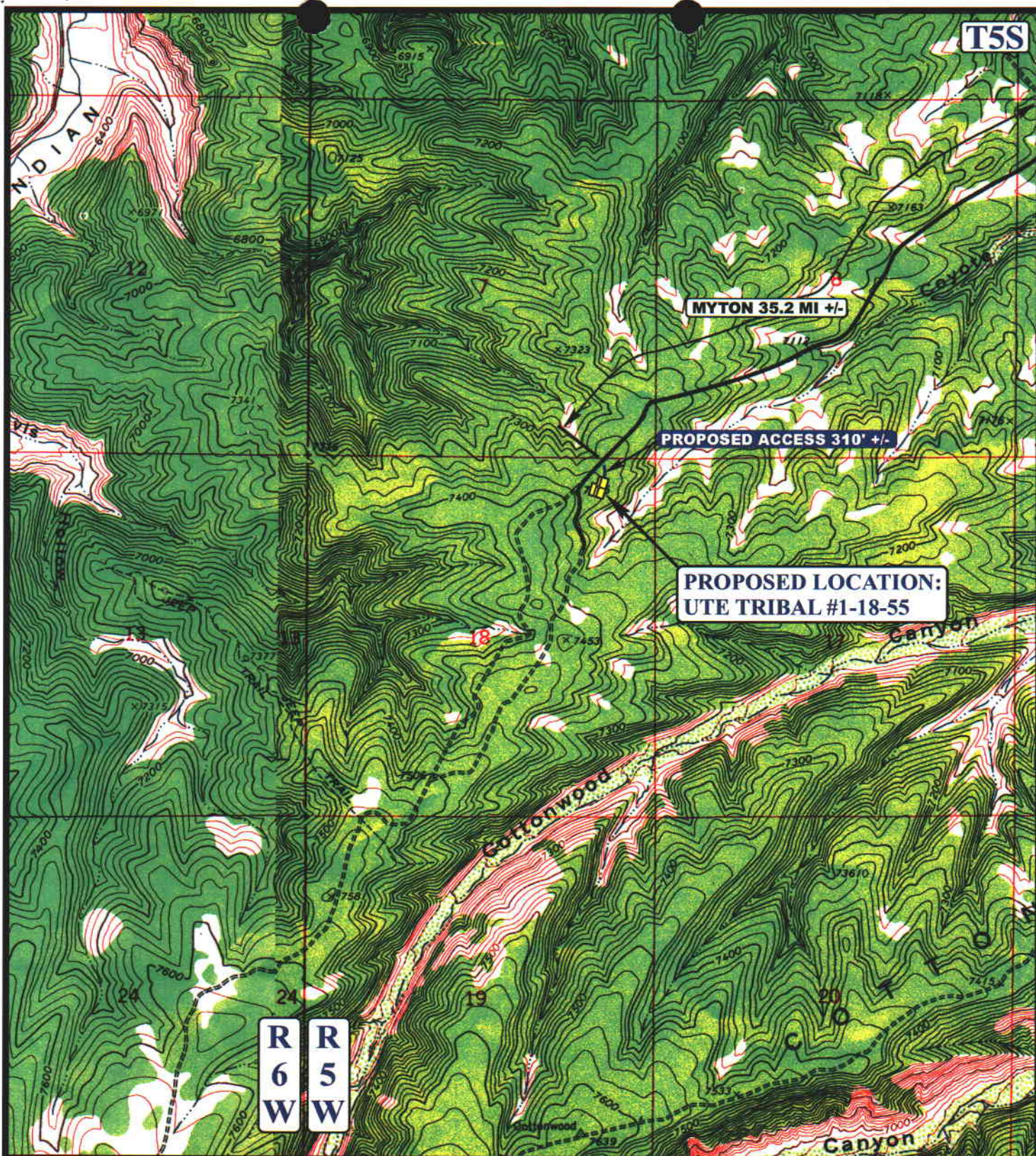
**TOPOGRAPHIC  
MAP**

**09 26 06**  
MONTH DAY YEAR

**SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00**







# **LEGEND:**

————— EXISTING ROAD  
 - - - - - PROPOSED ACCESS ROAD

**UTE/FNR, LLC.**

**UTE TRIBAL #1-18-55  
 SECTION 18, T5S, R5W, U.S.B.&M.  
 411' FNL 832' FEL**



**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



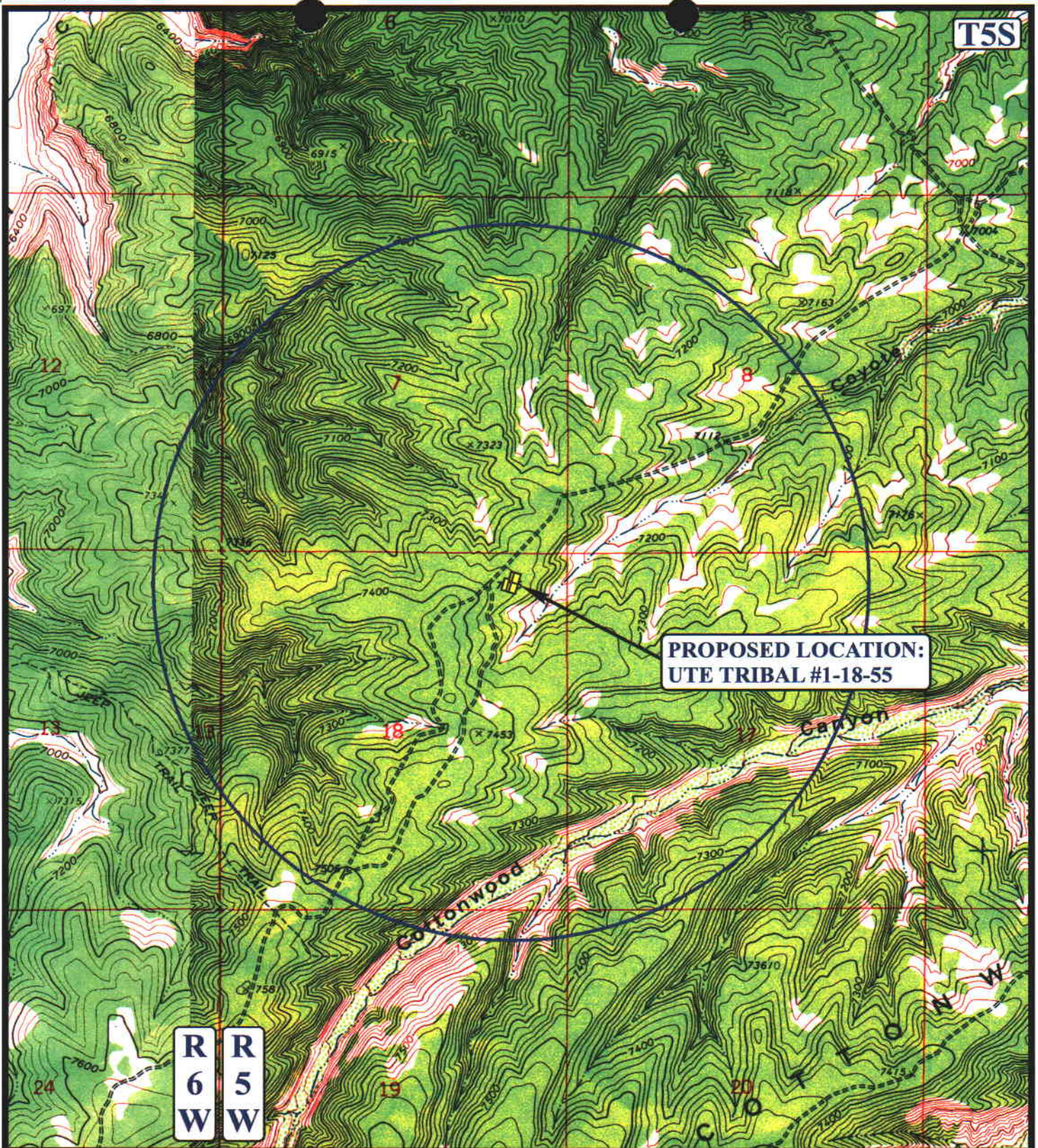
**TOPOGRAPHIC  
 MAP**

**09 26 06**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

**B  
 TOPO**





# **LEGEND:**

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



## **UTE/FNR, LLC.**

**UTE TRIBAL #1-18-55**  
**SECTION 18, T5S, R5W, U.S.B.&M.**  
**411' FNL 832' FEL**

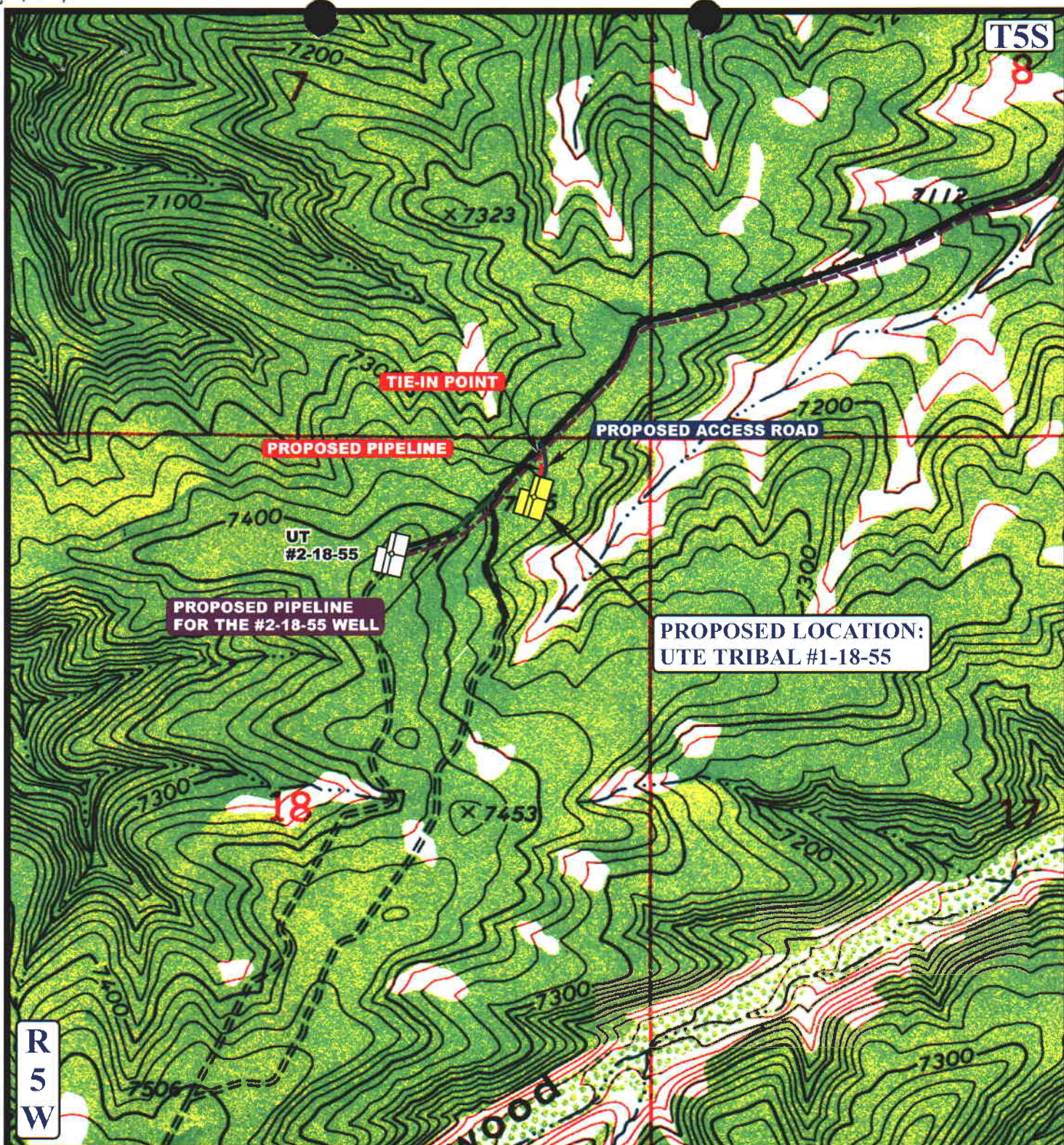
**TOPOGRAPHIC**  
**MAP**

**09 26 06**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00







**APPROXIMATE TOTAL PIPELINE DISTANCE = 257' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - PROPOSED PIPELINE
- - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



**UTE/FNR, LLC.**

**UTE TRIBAL #1-18-55  
SECTION 18, T5S, R5W, U.S.B.&M.  
411' FNL 832' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**09 26 06**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00





**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/24/2006

API NO. ASSIGNED: 43-013-33392

WELL NAME: UTE TRIBAL 1-18-55

OPERATOR: FIML NATURAL RESOURCES, ( N2530 )

CONTACT: MARK BINGHAM

PHONE NUMBER: 303-893-5073

**PROPOSED LOCATION:**

NENE 18 050S 050W

SURFACE: 0411 FNL 0832 FEL

BOTTOM: 0411 FNL 0832 FEL

COUNTY: DUCHESNE

LATITUDE: 40.05267 LONGITUDE: -110.4832

UTM SURF EASTINGS: 544085 NORTHINGS: 4433521

FIELD NAME: UNDESIGNATED ( 2 )

|                        |          |      |
|------------------------|----------|------|
| INSPECT LOCATN BY: / / |          |      |
| Tech Review            | Initials | Date |
| Engineering            |          |      |
| Geology                |          |      |
| Surface                |          |      |

LEASE TYPE: 2 - Indian

LEASE NUMBER: 14-20-H62-5057

SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSTC

COALBED METHANE WELL? NO

**RECEIVED AND/OR REVIEWED:**

☒ Plat  
☒ Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. 8191-82-71 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 43-10152 )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

**LOCATION AND SITING:**

\_\_\_ R649-2-3.  
Unit: \_\_\_  
\_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
☒ R649-3-3. Exception  
\_\_\_ Drilling Unit  
Board Cause No: \_\_\_  
Eff Date: \_\_\_  
Siting: \_\_\_  
\_\_\_ R649-3-11. Directional Drill

COMMENTS: SOP, Separate Gue

STIPULATIONS: 1- Federal Approval  
2- Spacing Strip

UTE TRIBAL  
16-12-56

T5S R6W T5S R5W

UTE TRIBAL  
1-13-56

UTE TRIBAL  
4-18-55

UTE TRIBAL  
3-18-55

UTE TRIBAL  
2-18-55

UTE TRIBAL  
1-18-55

UTE TRIBAL  
6-18-55

UTE TRIBAL  
7-18-55

UTE TRIBAL  
5-17-55

UTE TRIBAL  
8-18-55

UTE TRIBAL  
9-18-55

UTE TRIBAL  
12-18-55

UTE TRIBAL  
11-18-55

UTE TRIBAL  
10-18-55

UTE TRIBAL  
15-18-55

UTE TRIBAL  
14-18-55

UTE TRIBAL  
16-13-56

UTE TRIBAL  
13-18-55

UTE TRIBAL  
4-19-55

**BRUNDAGE  
CANYON FIELD**

OPERATOR: FIML NAT RES LLC (N2530)

SEC: 18 T.5S R. 5W

FIELD: UNDESIGNATED (002)

COUNTY: DUCHESNE

SPACING: R649-3-3 / EXCEPTION LOCATION

**Wells Status**

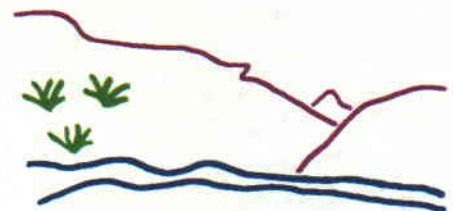
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED



*Utah Oil Gas and Mining*



PREPARED BY: DIANA WHITNEY  
DATE: 27-OCTOBER-2006



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 30, 2006

FIML Natural Resources,  
410 17th St. 9th Floor  
Denver, CO 80202

Re: Ute Tribal 1-18-55 Well, 411' FNL, 832' FEL, NE NE, Sec. 18, T. 5 South,  
R. 5 West, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33392.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Duchesne County Assessor  
Bureau of Land Management, Vernal District Office

Operator: FIML Natural Resources,  
Well Name & Number Ute Tribal 1-18-55  
API Number: 43-013-33392  
Lease: 14-20-H62-5057  
Location: NE NE                      Sec. 18                      T. 5 South                      R. 5 West

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

# RECEIVED

Form 3160-3  
(April 2004)

OCT 27 2006

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

BLM VERNAL, UTAH

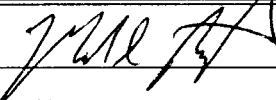
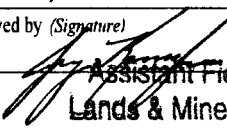
APPLICATION FOR PERMIT TO DRILL OR REENTER

|  |   |   |
|--|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |   | 5. Lease Serial No.<br>14-20-H62-5057                                       |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone |   | 6. If Indian, Allottee or Tribe Name<br>Ute Indian Tribe                    |
| 2. Name of Operator<br>FIML Natural Resources, LLC   |   | 7. If Unit or CA Agreement, Name and No.                                    |
| 3a. Address<br>410 17th Street, 9th Floor, Denver, CO 80202  | 3b. Phone No. (include area code)<br>303-893-5073   | 8. Lease Name and Well No.<br>Ute Tribal 1-18-55                            |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)<br>At surface NENE 411' FNL 832' FEL<br>At proposed prod. zone Same as above  |   | 9. API Well No.<br>43-013-33392   |
| 14. Distance in miles and direction from nearest town or post office*<br>36 miles southwest of Myton, Utah   |   | 10. Field and Pool, or Exploratory<br>Undesignated                          |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 411'   | 16. No. of acres in lease<br>640                    | 11. Sec., T. R. M. or Blk. and Survey or Area<br>Sec 18, T5S-R5W, U.S.B.&M. |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,755'  | 19. Proposed Depth<br>6,475'                        | 12. County or Parish<br>Duchesne  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br>7,361' GL (Ungraded)  | 22. Approximate date work will start*<br>06/01/2007 | 13. State<br>Utah   |
| 20. BLM/BIA Bond No. on file<br>8191-82-71   |   | 17. Spacing Unit dedicated to this well<br>40                               |
| 23. Estimated duration<br>Seven days   |   |   |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SU/PO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

|  |                                       |                    |
|--|---------------------------------------|--------------------|
| 25. Signature<br>           | Name (Printed/Typed)<br>Mark Bingham  | Date<br>10/23/2006 |
| Title<br>Senior Vice President   |                                       |                    |
| Approved by (Signature)<br> | Name (Printed/Typed)<br>JERRY KEVICKA | Date<br>4/25/2007  |
| Title<br>Assistant Field Manager<br>Lands & Mineral Resources  | Office<br>VERNAL FIELD OFFICE         |                    |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

RECEIVED

MAY 03 2007

DIV. OF OIL, GAS & MINING

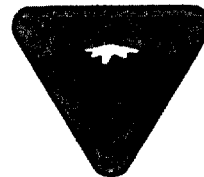


UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

435-781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

**Company:** FIML Natural Resources, LLC  
**Well No:** Ute Tribal 1-18-55  
**API No:** 43-013-33392

**Location:** NENE, Sec. 18, T5S, R5W  
**Lease No:** 14-20-H62-5057  
**Agreement:** N/A

| Title   | Name            | Office Phone Number      | Cell Phone Number |
|---|-----------------|--------------------------|-------------------|
| Petroleum Engineer:                             | Matt Baker      | 435-781-4490             | 435-828-4470      |
| Petroleum Engineer:                             | Michael Lee     | 435-781-4432             | 435-828-7875      |
| Petroleum Engineer:                             | James Ashley    | 435-781-4470             | 435-828-7874      |
| Petroleum Engineer:                             | Ryan Angus      | 435-781-4430             | 435-828-7368      |
| Supervisory Petroleum Technician:               | Jamie Sparger   | 435-781-4502             | 435-828-3913      |
| NRS/Enviro Scientist:                           | Paul Buhler     | 435-781-4475             | 435-828-4029      |
| NRS/Enviro Scientist:                           | Karl Wright     | 435-781-4484             |                   |
| NRS/Enviro Scientist:                           | Holly Villa     | 435-781-4404             |                   |
| NRS/Enviro Scientist:                           | Melissa Hawk    | 435-781-4476             | 435-828-7381      |
| NRS/Enviro Scientist:                           | Chuck MacDonald | 435-781-4441             | 435-828-7481      |
| NRS/Enviro Scientist:                           | Jannice Cutler  | 435-781-3400             |                   |
| NRS/Enviro Scientist:                           | Michael Cutler  | 435-781-3401             |                   |
| NRS/Enviro Scientist:                           | Anna Figueroa   | 435-781-3407             |                   |
| NRS/Enviro Scientist:                           | Verlyn Pindell  | 435-781-3402             |                   |
| NRS/Enviro Scientist:                           | Darren Williams | 435-781-4447             |                   |
| NRS/Enviro Scientist:                           | Nathan Packer   | 435-781-3405             |                   |
| <b>After Hours Contact Number: 435-781-4513</b> |                 | <b>Fax: 435-781-4410</b> |                   |

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations 43 CFR Part 3160, and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

|   |  |
|---|--|
| Location Construction<br>Notify Environmental Scientist       | - Forty-Eight 48 hours prior to construction of location and access roads.   |
| Location Completion<br>Notify Environmental Scientist         | - Prior to moving on the drilling rig.   |
| Spud Notice<br>Notify Petroleum Engineer                      | - Twenty-Four 24 hours prior to spudding the well.   |
| Casing String & Cementing<br>Notify Supv. Petroleum Tech.     | - Twenty-Four 24 hours prior to running casing and cementing all casing strings.   |
| BOP & Related Equipment Tests<br>Notify Supv. Petroleum Tech. | - Twenty-Four 24 hours prior to initiating pressure tests.   |
| First Production Notice<br>Notify Petroleum Engineer          | - Within Five 5 business days after new well begins or production resumes after well has been off production for more than ninety 90 days. |



***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL COAs***

**General Surface COAs**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer AO. A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

**Specific Surface COAs**

- A 30' foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROWs.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APDs and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
- The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
- Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

## **DOWNHOLE CONDITIONS OF APPROVAL**

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

- None

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment BOPE shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources such as Gilsonite, tar sands, oil shale, trona, etc. to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth from KB or GL of encounter, vertical footage of the encounter and, the name of the person making the report along with a telephone number should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log CBL will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" Oil and Gas Operations Report OGOR starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 303 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location  $\frac{1}{4}$ , Sec., Twn, Rng, and P.M..
  - Date well was placed in a producing status date of first production for which royalty will be paid.
  - The nature of the well's production, i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons.
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees NTL 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events fires, accidents, blowouts, spills, discharges as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" BLM Form 3160-4 shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill

stem test data, and results of production tests if performed. Samples cuttings, fluid, and/or gas shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" Form BLM 3160-5 must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 22, 2007

Cassandra Parks  
FIML Natural Resources, LLC  
410 17<sup>th</sup> Street Ste 900  
Denver, CO 80202

Re: APDs Rescinded at the request of FIML Natural Resources

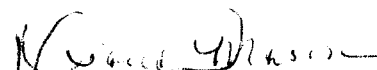
Dear Ms. Parks:

Enclosed find the list of APDs that you requested to be rescinded to FIML Natural Resources. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective October 19, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal

Page 2  
October 22, 2007  
Subject:

Ute Tribal 1-18-55  
Ute Tribal 15-18-55  
Ute Tribal 13-18-55  
Ute Tribal 6-18-55  
Ute Tribal 11-18-55  
Ute Tribal 2-13-56  
Ute Tribal 7-18-55  
Ute Tribal 10-18-55  
Ute Tribal 12-18-55  
Ute Tribal 9-18-55  
Ute Tribal 3-18-55



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

2008 APR 24 PM 3 59

SUBMIT IN TRIPLICATE- Other instructions on reverse side

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **FIML Natural Resources, LLC**3a. Address  
**410 17th Street, Suite 900 Denver, CO 80202**3b. Phone No. (include area code)  
**303-893-5090**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**NENE 411' FNL 832' FEL Sec 18 T-5S, R-5W**

5. Lease Serial No.

**14-20-H62-5057**

6. If Indian, Allottee or Tribe Name

**Ute Tribe**

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

**Ute Tribal 1-18-55**

9. API Well No.

**43-013-33392**10. Field and Pool, or Exploratory Area  
**Undesignated**

11. County or Parish, State

**Duchesne**

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off           |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity           |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other <b>Request for</b> |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <b>permit extension</b>                           |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**FIML Natural Resources, LLC is requesting an extension for the approval to drill on this well. Further evaluation of the area is needed prior to drilling this well.**

## CONDITIONS OF APPROVAL ATTACHED

**BIA Nationwide Oil & Gas Lease Bond No. 8191-82-71.**  
**State of Utah, Division of Oil, Gas & Mining Surety Bond No. 8193-15-93**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)**Cassandra Parks**Title **Regulatory Specialist**

Signature

Date

**4/23/2008**

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

**Petroleum Engineer****MAY 02 2008**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS &amp; MINING

UDOGM

# **CONDITIONS OF APPROVAL**

## **FIML Natural Resources, LLC**

### **Notice of Intent APD Extension**

**Lease:** 14-20-H62-5057  
**Well:** Ute Tribal 1-18-55  
**Location:** NENE Sec.18-T5S-R5W

An extension for the referenced APD is granted with the following conditions:

---

1. The extension and APD shall expire on 4/25/09
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Green River District-Vernal Field Office  
170 South 500 East  
Vernal, UT 84078  
(435) 781-4400 Fax: (435) 781-4410  
<http://www.blm.gov/ut/st/en/fo/vernal.html>

IN REPLY REFER TO:  
3160  
UTG011

July 31, 2009

Cassandra Parks  
FIML Natural Resources, LLC  
410 17<sup>th</sup> Street, Suite 900  
Denver, CO 80202

43-013-33392

Re: Notice of Expiration  
Well No. Ute Tribal 1-18-55  
NENE, Sec. 18, T5S, R5W  
Duchesne County, Utah  
Lease No. 14-20-H62-5057

Dear Ms. Parks:

The Application for Permit to Drill for the above-referenced well was approved on April 25, 2007. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 25, 2009. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

cc: UDOGM  
BIA  
Ute Tribe

RECEIVED

AUG 20 2009

DIV. OF OIL, GAS & MINING